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during their extended maturity periods are as specified in paragraphs (e)(2)(i), (ii), and (iii) of this section.

(i) *Bonds that enter an extended maturity period on or after January 1, 2003.* The investment yield applicable to Series HH bonds that enter an extended maturity period on or after January 1, 2003, will be furnished in rate announcements by the Secretary or the Secretary's designee. The rate announced will apply to bonds that enter an extended maturity period during the period covered by the announcement.

(ii) *Bonds that entered an extended maturity period from March 1, 1993, through December 1, 2002.* The investment yield applicable to Series HH bonds that entered an extended maturity period from March 1, 1993, through December 1, 2002, is 4 percent per annum, paid semiannually.

(iii) *Bonds that entered an extended maturity period from January 1, 1990, through February 1, 1993.* The investment yield applicable to Series HH bonds that entered into an extended maturity period from January 1, 1990, through February 1, 1993, is 6 percent per annum, paid semiannually.

(f) *Payment of interest.* The interest on a Series HH bond is paid semiannually beginning six months from the issue date. Interest ceases at final maturity or, if the bond is redeemed before final maturity, as of the end of the interest period preceding the date of redemption. If the redemption date falls on an interest payment date, interest ceases on that date.

(1) *Bonds issued on or after October 1, 1989.* Interest on Series HH bonds issued on or after October 1, 1989, will be paid by the automated clearing house (ACH) method to the registered owner or co-owner's account at a financial institution, unless the Bureau of the Public Debt determines that extraordinary circumstances warrant payment by check or other means.

(2) *Bonds issued prior to October 1, 1989.* Interest on Series HH bonds issued prior to October 1, 1989, will be paid as follows:

(i) By check drawn to the order of the registered owner or both coowners; or

(ii) Upon request, by the ACH method to the owner or coowner's account at a financial institution.

(g) *Rules governing payment of interest by the ACH method.* Provisions contained in § 353.31 of Department of the Treasury Circular, Public Debt Series No. 3–80, as amended (31 CFR part 353), apply to the submission of deposit account information for Series HH interest payments made on and after October 1, 1989, for which ACH payment:

(1) Is required under paragraph (f)(1) of this section;

(2) Is requested by an owner or co-owner on or after October 1, 1989, pursuant to paragraph (f)(2) of this section; or

(3) Was requested by an owner or co-owner prior to October 1, 1989.

Interest payments made by the ACH method on and after October 1, 1989, will be processed in accordance with 31 CFR part 370.

(Approved by the Office of Management and Budget under control number 1535–0094)

(h) *Tables of interest payments and redemption values.* Tables showing the interest payments and redemption values of bonds issued under previous revisions of this Circular will be available from the Bureau of the Public Debt and designated Federal Reserve Banks.

[54 FR 40249, Sept. 29, 1989, as amended at 58 FR 60947, Nov. 18, 1993; 59 FR 10540, Mar. 4, 1994; 67 FR 79384, Dec. 24, 2002; 69 FR 40318, July 2, 2004]

§ 352.3 Registration and issue.

(a) *Registration.* Series HH bonds may be registered as set forth in subpart B of 31 CFR part 353, also published as Department of the Treasury Circular, Public Debt Series No. 3–80.

(b) *Validity of issue.* A bond is validly issued when it is registered as provided 31 CFR part 353, also published as Department of the Treasury Circular, Public Debt Series No. 3–80, and bears an issue date and appropriate validation indicia.

(c) *Taxpayer identifying number.* The registration of a bond must include the taxpayer identifying number of the owner or first-named co-owner. The taxpayer identifying number of the second-named coowner or beneficiary is

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not required but its inclusion is desirable.

[54 FR 40249, Sept. 29, 1989, as amended at 57 FR 14286, Apr. 17, 1992; 71 FR 46857, Aug. 15, 2006]

§ 352.4 Limitation on purchases.

Series HH bonds issued under the terms of this Circular were not subject to a purchase limitation.

[54 FR 40249, Sept. 29, 1989, as amended at 69 FR 40318, July 2, 2004]

§ 352.5 Authorized issuing and paying agents.

Series HH bonds were issued and may be redeemed only by Federal Reserve Banks (see § 352.13) and the Bureau of the Public Debt.

[69 FR 40318, July 2, 2004]

§ 352.6 [Reserved]

§ 352.7 Issues on exchange.

(a) *Securities eligible for exchange.* Prior to the close of business on August 31, 2004, owners were permitted to exchange United States Savings Bonds of Series E and EE and United States Savings Notes (Freedom Shares) at their current redemption values for Series HH bonds. Series E bonds and savings notes remained eligible for exchange for a period of one year from the month in which they reached final maturity. Series EE bonds issued on January 1, 2003, or earlier, became eligible for exchange six months after their issue dates. Series EE bonds issued on February 1, 2003, or thereafter, became eligible for exchange 12 months after their issue dates.

(b) *Basis for issue.* Series HH bonds were issued on exchange by an authorized issuing agent upon receipt of a properly executed exchange application with eligible securities, and additional cash, if any, and any supporting evidence that was required under the regulations. If eligible securities were submitted directly to a Federal Reserve Bank referred to in § 351.13, each was required to bear a properly signed and certified request for payment. Checks in payment of additional cash needed to complete a transaction (see paragraph (d) of this section) were required

to be drawn to the order of the Federal Reserve Bank.

(c) *Role of financial institutions.* Department of the Treasury Circular No. 750, current revision (31 CFR part 321), authorizes financial institutions qualified as paying agents for savings bonds and notes to redeem eligible securities presented for exchange and to forward an exchange application and full payment to a Federal Reserve Bank referred to in § 351.13 for the issue of Series HH bonds. The securities redeemed on exchange by such an institution were required to be securities that it is authorized to redeem for cash.

(d) *Computation of issue price.* The total current redemption value of the eligible securities submitted for exchange in any one transaction was required to be \$500 or more. If the current redemption value was an even multiple of \$500, Series HH bonds were required to be issued in that exact amount. If the current redemption value exceeded, but was not an even multiple of \$500, the owner had the option either:

(1) To add the cash necessary to bring the amount of the application to the next higher multiple of \$500, or

(2) To receive a payment to reduce the amount of the application to the next lower multiple of \$500.

(e) *Registration.* A Series HH bond issued on exchange was permitted to be registered in any form authorized in subpart B of Circular No. 3-80, subject to the following restrictions:

(1) If the securities submitted for exchange were in single ownership form, the owner was required to be named as owner or first-named coowner on the Series HH bonds. A coowner or beneficiary was permitted to be named.

(2) If the securities submitted for exchange were in coownership form, and one coowner was the “principal coowner”, that person was required to be named as owner or first-named coowner on the Series HH bonds. A coowner or beneficiary was also permitted to be named. The “principal coowner” was the coowner who purchased the securities presented for exchange with his or her own funds, or received them as a gift, inheritance or legacy, or as a result of judicial proceedings, and had them reissued in coownership form, provided he or she had received